

TAB 7

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FILED

MAR 25 2004

Clerk, U.S. District Court
District of Columbia

SCIMED LIFE SYSTEMS, INC.,

Plaintiff and Counterclaim-Defendant,

v.

MEDTRONIC AVE, INC.,

Defendant and Counterclaimant,

and

ERIC C. MARTIN,

Defendant and Counterclaim-Defendant.

Civil Action No. 1:01 CV 02013-BJL

RECEIVED
U.S. DISTRICT COURT
DISTRICT OF COLUMBIA
2004 FEB 18 PM 12:36
KAREN M. HILLINGTON
CLERK

STIPULATION AND ORDER

WHEREAS on July 27, 2001 the Board of Patent Appeals and Interferences of the United States Patent and Trademark Office issued a Final Decision and Judgment ("July 27, 2001 Final Decision") in Interference No. 104,192 involving a single count and the following applications and patent of the parties:

Fogarty *et al.* United States Patent Application Serial No. 08/463,836

owned by Medtronic AVE, Inc., now known as Medtronic Vascular, Inc.

("Medtronic");

Cragg *et al.* United States Patent Application Serial No. 08/461,402

owned by Scimed Life Systems, Inc. ("Scimed"); and

Martin United States Patent No. 5,575,817 owned by Eric. C. Martin
("Martin").

WHEREAS the July 27, 2001 Final Decision awarded priority of invention to
Fogarty *et al.* (Medtronic) for the subject matter of the single count;

WHEREAS on December 17, 2001 Scimed filed a Second Amended Complaint
requesting review of certain rulings in the July 27, 2001 Final Decision, including the
award of priority of invention to Fogarty *et al.* (Medtronic);

WHEREAS on January 2, 2002, Medtronic filed an Answer, Counterclaim and
Cross-Claim requesting review of certain rulings in the July 27, 2001 Final Decision;

WHEREAS Martin did not respond to Scimed's Second Amended Complaint or
to Medtronic's Answer and Cross-Claim; and

WHEREAS the Court ruled Martin in default for failure to respond to
Medtronic's Cross-Claim.

NOW THEREFORE Medtronic and Scimed desire to limit and expedite the
remaining issues in dispute between them and therefore agree as follows:

1. Scimed agrees that in this action it will not rely on Martin's alleged date of
invention to prove a date of invention for the inventors of Scimed's Cragg *et al.*
Application Serial No. 08/461,402. Medtronic and Scimed reserve all rights against
Martin.
2. Medtronic agrees to withdraw, with prejudice, the Complaint in *Medtronic
Vascular Inc. v. James E. Rogan and Nicholas P. Goldici*, Case No. 1:03 CV 02466, filed
on November 24, 2003 in the United States District Court for the District of Columbia.

3. Medtronic and Scimed agree to limit the issues in this case to the following:

(a) Whether the Board erroneously affirmed its grant of Fogarty *et al.* (Medtronic) Motion 12 in its July 27, 2001 Final Decision denying Cragg *et al.* (Scimed) benefit of the February 9, 1994 filing date of its European application No. 94400284.9 as a date of invention for the subject matter of the single count in Interference No. 104,192;¹

(b) If the answer to issue (a) is yes and the Court elects to determine the issue of priority, then whether Fogarty *et al.* (Medtronic) has established a date of invention prior to February 9, 1994 for the subject matter of the single count in Interference No. 104,192; and

(c) If the answer to issue (a) is yes and the Court elects not to determine the issue of priority, then the case may be remanded to the Board of Patent Appeals and Interferences for determination of whether Fogarty *et al.* (Medtronic) has established a date of invention prior to February 9, 1994 for the subject matter of the single count in Interference No. 104,192.

4. Medtronic and Scimed further agree that if the answer to issue (a) is no, then Fogarty *et al.* (Medtronic) is entitled to an award of priority for the subject matter of the single count in Interference No. 104,192, and the Board's award of priority to Fogarty *et al.* (Medtronic) in the July 27, 2001 Final Decision should be affirmed.

5. Medtronic and Scimed further agree that if the answer to (a) is yes and the Court determines that the answer to (b) is no, then Cragg *et al.* (Scimed) is entitled to an

¹ The applicable burdens of proof are not intended to be modified by this Agreement.

award of priority for the subject matter of the single count in Interference No. 104,192, and the Board's award of priority to Fogarty *et al.* (Medtronic) in the July 27, 2001 Final Decision should be reversed.

6. Medtronic and Scimed further agree that if the answer to (a) is yes and the Court determines that the answer to (b) is yes, then Fogarty *et al.* (Medtronic) is entitled to an award of priority for the subject matter of the single count in Interference No. 104,192, and the Board's award of priority to Fogarty *et al.* (Medtronic) in the July 27, 2001 Final Decision should be affirmed.

7. If either party is dissatisfied with the final judgment of the Court or the final decision of the Board of Patent Appeals and Interferences upon remand, the dissatisfied party may pursue appropriate review.

8. Medtronic and Scimed agree that amended pleadings will be filed in this case reflecting this agreement to limit the issues.

IT IS AGREED TO AND ORDERED THAT:

1. Pleadings filed in this case hereafter shall bear the following caption:

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

SCIMED LIFE SYSTEMS, INC.,

Plaintiff and Counterclaim-Defendant,

v.

MEDTRONIC VASCULAR, INC.,

Defendant and Counterclaimant,

and

ERIC C. MARTIN,

Defendant and Counterclaim-Defendant.

Civil Action No. 1:01 CV 02015 (RJL)

2. Medtronic is directed to withdraw, with prejudice, its Complaint in *Medtronic Vascular Inc. v. James E. Rogan and Nicholas P. Goldici*, Case No. 1:03 CV 02466, filed on November 24, 2003 in the United States District Court for the District of Columbia within 14 days of entry of this Order.

3. The issues as between Scimed and Medtronic in this action are limited to the following:

- (a) Whether the Board erroneously affirmed its grant of Fogarty *et al.* (Medtronic) Motion 12 in its July 27, 2001 Final Decision denying Cragg *et al.* (Scimed) benefit of the February 9, 1994 filing date of its European application

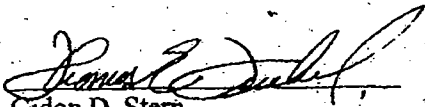
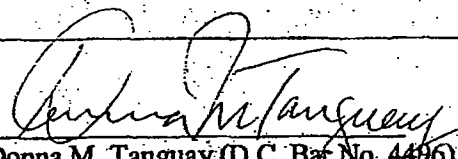
No. 94400284.9 as a date of invention for the subject matter of the single count in Interference No. 104,192;

(b) If the answer to issue (a) is yes and the Court elects to determine the issue of priority, then whether Fogarty *et al.* (Medtronic) has established a date of invention prior to February 9, 1994 for the subject matter of the single count in Interference No. 104,192; and

(c) If the answer to issue (a) is yes and the Court elects not to determine the issue of priority, then the case may be remanded to the Board of Patent Appeals and Interferences for determination of whether Fogarty *et al.* (Medtronic) has established a date of invention prior to February 9, 1994 for the subject matter of the single count in Interference No. 104,192.

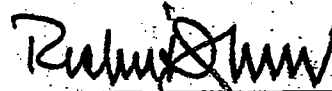
4. Scimed is directed to file a Third Amended Complaint consistent with the above statement within 14 days of entry of this Order. Medtronic is directed to file an Amended Answer and Counterclaim that is consistent with the above statements within 14 days of service of the Third Amended Complaint.

STIPULATED AND AGREED TO BY

 Gidon D. Stern Thomas E. Friebe (D.C. Bar No. 290627) Cathy J. Chin Max Bachrach (D.C. Bar No. 477267) JONES DAY 222 East 41 st Street New York, New York 10017 Attorneys for Scimed Life Systems, Inc.	 Donna M. Tanguay (D.C. Bar No. 4496) Mark G. Davis (D.C. Bar No. 412228) John R. Fuisz (D.C. Bar No. 439698) McDERMOTT, WILL & EMERY 600 13th St., N.W. Washington, D.C. 20005-3096 Attorneys for Medtronic Vascular, Inc.
--	--

SO ORDERED

3/25/84



Honorable Richard J. Leon
UNITED STATES DISTRICT JUDGE

WDC99 853493-4.052734.0050

CERTIFICATE OF SERVICE

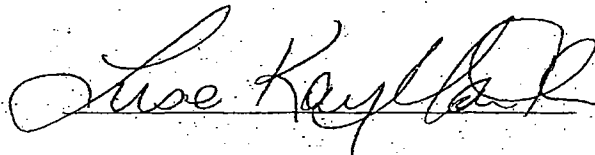
The undersigned hereby certifies that a true copy of the STIPULATION AND
ORDER was served this 18th day of February, 2004, as follows:

Gidon D. Stern (Via Federal Express)
Thomas E. Friebe
Jones Day
222 East 41st Street
New York, NY 10017

Counsel for Plaintiff Scimed Life Systems, Inc.

Robert J. Koch (Via Hand Delivery)
Fulbright & Jaworski
801 Pennsylvania Ave., N.W.
Washington, DC 20004

Attorney for Defendant Eric C. Martin

A handwritten signature in cursive script, appearing to read "Eric C. Martin", written over a horizontal line.